

Preparing for your KSDE Audit

An overview of the Audit Engagement Letter and documentation to prepare for your KSDE audit

Prepared by the KSDE Fiscal Audit Team

September 28, 2016

Laurel Murdie
Director, Fiscal Auditing
Kansas State Department of Education

Fiscal Auditing website: <http://ksde.org/Default.aspx?tabid=319>

Introduction

A couple weeks before your annual KSDE Audit, Fiscal Auditing staff will send an audit engagement letter detailing when the audit will be conducted and the auditor assigned. See pages 7-9 [Attachment 1] for an example of what that letter looks like.

How to prepare for KSDE audit: In the next section of this document, we include each item listed in the example Audit Engagement Letter, along with some tips for how to prepare the documentation needed for the annual KSDE Audit.

The e-Audit Initiative: This past year, KSDE Fiscal Auditing introduced the e-Audit Initiative.

For more about the initiative, see the document: “**KSDE e-Audits Initiative**” on the KSDE Fiscal Auditing Website: <http://ksde.org/Default.aspx?tabid=319>

One of the most useful features of the e-Audits Initiative is the Auditor File Exchange. This web application allows districts to upload files for KSDE auditors. Much of the information needed for your KSDE audit can be generated from your student information system, so we encourage you to provide the data electronically. If you provide electronic information through the Auditor File Exchange, KSDE auditors can review the data *before* arriving at your district.

The Auditor File Exchange can be accessed at: <https://svapp15586.ksde.org/authentication/login.aspx>.

If uploading data to the Auditor File Exchange is too cumbersome or if you have any questions or concerns, please contact Fiscal Auditing at 785-296-4976 so that we can discuss alternate means of providing data electronically to us. Our audit staff will be happy to assist you.

Finally, keep in mind that when gathering data from third parties (such as private schools) you will need to take steps to ensure that the data are collected in a secure manner and in accordance with federal and state laws, and local policies.

How to Prepare for Current Year Enrollment (2016-17) and Attendance records to be audited:

Student Count Day is Tuesday, September 20, 2016. We will be auditing the current year's weighted enrollment generated on September 20 from data submitted to KIDS.

Items to be audited for current year enrollment include:

1. **Enrollment and attendance records of all children counted by your district on September 20. Auditors will verify your headcount and your student FTE. Please provide the following:**
 - a. **Daily attendance records from the beginning of school through October 4.** This is a list of all students and their attendance through October 4. Each school district has different student information systems, and each system produces different reports. Please see the table below, showing reports for the five most commonly used student information systems, to help you identify and prepare attendance reports that are helpful to the auditor. Again, Fiscal Auditing will work with the information your student information system provides.

To confirm your reported FTE, or to aid in the calculations of student minutes, see the electronic calculator – **Combined Bell Schedule, Daily and CTE Minutes Calculator**, on the fiscal auditing webpage at: <http://ksde.org/Default.aspx?tabid=319>.

	Preferred	Acceptable
PowerSchool	Monthly Attendance Report	Absentee Report
GoEdustar	Attendance Report	
Skyward	Absence Occurrence Report	Daily Attendance Report
Infinite Campus	Period Detail Batch Report	
Synergy	Elem – ATD402 Middle/High – ATP401	

Table 1: These reports can be provided in either Excel or PDF format. Providing the preferred report will assist the auditor in conducting a more efficient audit.

- b. **Entry/Withdrawal list through October 4.** Provide a list of students who have entered the district or have withdrawn from the district (including the date), from the beginning of the school year through October 4.
- c. **September 20 class schedules for high school and middle school students.** This is a copy of the class schedule for high schools and middle schools (or junior highs).

d. **Attendance records for non-public students enrolled and attending part-time in your district.** If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite. If you provide the data electronically, please provide copies of attendance records and other relevant data in support of the claim.

Period	Course	Teacher	Room	Sem
1	Geometry	Shane	215	S1
1	Geometry	Shane	215	S2
2	Broadcast & Media Production	Brennan	148	S1
2	Broadcast & Media Production	Brennan	148	S2

Student Last Name	Student First Name	CY Perio	CY Description	CY Teacher Name	CY Perio	CY Days Me
Abercrombie	Fitch	01	EnglITechWriS1	Erin Andrews	01	1
Abercrombie	Fitch	02	ESL Speech I	Sydney Smith	02	2
Abercrombie	Fitch	03	Intro to Manuf	Norman Mailer	03	1
Abercrombie	Fitch	04	Wrt Training S1	Michael Jackson	04	2
Abercrombie	Fitch	05D	Algebra II S1	Gita Patel	05D	1
Abercrombie	Fitch	06D	Art I S1	Lisa Peebles	06D	2
Abercrombie	Fitch	07	Health	Annette Funicello	07	1
Abercrombie	Fitch	08	Tech Phys I S1	Mark Anthony	08	2
Abercrombie	Fitch	09	Mentoring	Un Geller	09	12
Abercrombie	Fitch	12	ESL Advocate	Sydney Smith	12	12
Abercrombie	Fitch	12	Migrant/Advocate	Karen Long	12	12

Image 1 Regardless if it's an Excel Spreadsheet or a PDF file, use a method that is system-generated (as opposed to scanning a printed document), for both convenience and time savings (for both district staff and auditors).

- e. **IEPs and attendance records for Special Education pre-school students and Special Education kindergarten and non-public Special Education students will be reviewed.** If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite. If you provide the data electronically, please provide copies of service logs, attendance records and other relevant data in support of the claim.
- f. **Eligibility documentation for 4-year-old at-risk students, if applicable.** If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite. If you provide the data electronically, please provide copies of applications and other relevant data in support of the claim.
- g. **Minutes of students attending alternative and/or virtual schools.** Provide the online logs, offline time, and sign in/sign out logs for virtual students, and sign in/sign out logs or other attendance documentation in support of the minutes claimed for alternative students.

2. **Attendance records for students in Juvenile Detention Centers and Psychiatric Residential Treatment Facilities in your district.** Provide attendance logs for the prior year April (2015-2016), current year September and November counts, if applicable.
3. **The auditor will verify your new facilities weighting, if applicable.** Please provide rosters, teacher schedules and the district's computation for each new classroom. For a sample electronic calculator – **New Facilities Worksheet**, visit the fiscal auditing webpage at: <http://ksde.org/Default.aspx?tabid=319>.

How to Prepare for Prior Year (2015-16) records to be audited:

The auditor will verify the following expenditures and programs for the prior year (2015-16).

4. **Transportation expenditures reported on Table XI of the Annual Statistical Report (18E).** Provide a copy of the fund accounting report and any supporting documentation to verify expenditures.

Account Code	Description	Budget	Expenditures	Payables & Encumbrances	Unencumbered Balance	Percent Remaining
34-1000-111-9900	Instr Full-Time Cert Sal Voc Ed				\$ 430,792.26	
34-1000-114-9900	Instr Cert Unused SL Voc Ed				\$ 2,661.10	
34-1000-115-1110	Instruction- Sub Salary for Certified Staff ARCHITECTURE & CONSTRUCTION				\$ 416.50	
34-1000-115-1120	Certified Sub Salary Visual Arts				\$ 283.50	
34-1000-213-9900	Instr Empl Hlth Ins_Ben_Cash_Voc Ed				\$ 27,483.12	
Expense Budget Report						
ALL Data						
Date Range: YTD thru 06/30/2014						
Arranged by: Account Number						
00	REVOLVING FUND					
00-00-2300-520-00	Insurance Health & Life Remb	0.00	0.00	0.00	0.00	0.00
00-00-2300-580-00	Trawl	0.00	0.00	0.00	0.00	0.00
00-00-2300-610-00	Supplies	0.00	0.00	0.00	0.00	0.00
00-00-2300-640-00	Books	0.00	0.00	0.00	0.00	0.00
00-00-2300-710-00	Grounds Repair	0.00	0.00	0.00	0.00	0.00
00-00-2300-720-00	Building Repair	0.00	0.00	0.00	0.00	0.00
00-00-2300-730-00	Equipment	0.00	0.00	0.00	0.00	0.00
00-00-2300-890-00	Misc Reimbursable	0.00	0.00	0.00	0.00	0.00
00	Current Year Account Totals:	0.00	0.00	0.00	0.00	0.00
00-X0-8000-000	Prior Year Encumber/payable	0.00	0.00	0.00	0.00	0.00
00	Prior Year Account Totals:	0.00	0.00	0.00	0.00	0.00
00	FUND Totals:	0.00	0.00	0.00	0.00	0.00
34-2213-250-9900	Instr Unemp Comp C P				\$ 8.70	
34-8000-000-0000	Vocational Education				\$ 275.00	
Subtotal of Element (Fund) 34 - Vocational Education						\$585,827.33

Image 2 Whether you provide an excel spreadsheet with fund accounting reports on different tabs, or a .pdf file for each fund (inset), both are acceptable methods for providing data for auditors to review.

5. Indirect Costs expenditures reported on Table V of the Annual Statistical Report. Provide payroll and/or fund account reports in support of the amounts claimed.

6. Driver Education and/or Motorcycle Education competency records. If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite. If you provide the data electronically, please provide copies of tests, score sheets, and other relevant data in support of the claim.

7. Special Education Pupil Transportation expenditures reported on Form 308. Provide a copy of the fund accounting report and any supporting documentation to verify expenditures.

8. **State Categorical Aid for teachers, para-professionals and expenditures incurred and reported as costs for catastrophic special education individual student care, if these programs were not audited this past summer.** Provide electronically (an MS Excel Spreadsheet or delimited file (.csv), generated from your payroll system, or from a separately maintained ledger, is preferred when applicable):

- a. Payroll records for certified staff in support of actual salary earned.
- b. Total contracted salary data for certified staff.
- c. Payroll records for classified staff in support of actual hours worked.
- d. Roster of long-term substitutes and new hires, with the name of special education staff replaced. Also include names of active staff who have shared a position during the school year.
- e. Paid invoices and service logs for staff contracted through third party providers. If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite.

- f. Records documenting staff development requirements (in-service) for paraprofessionals. If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite.
- g. Payroll records for all personnel in support of actual hours worked during the Extended School Year (ESY).
- h. Please have a roster of Bi-Annual Certification (BAC-Sole source funding) for staff whose duties are 100% special education. For staff with duties less than 100% special education, provide a PAR (time and effort log). For a sample electronic calculator – **Electronic PAR and Overview (Time and Effort)**, visit the fiscal auditing webpage at: <http://ksde.org/Default.aspx?tabid=319>. See Image 3.
- i. Present a roster of students, from December 1 and May 1, for each early childhood special education teacher claimed. Identify IEP and non-IEP students.
- j. Please make available documentation for all students claimed for Non-Public Equivalency. If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite. If you provide the data electronically, please make sure to provide a copy of the contract, license or professional certification for staff providing services, service logs, and paid invoices.

Regular School Year Summary			ESY (Summer) Summary		
Employee:			Report hours here that are part of the ESY (summer) term. Do NOT report any regular term hours here.		
Social Security # or Employee #:			Month	Hours of Percent of Special Ed	Total Hours of Percent
Month	Hours of Percent of Special Ed	Total Hours of Percent	May (ESY only)		
August			June (ESY only)		
September			July (ESY only)		
October			August (ESY only)		
November			Total time providing Sped Services	0%	
December			Number of months entered	0	
January			Sped percentage	0.0%	
February			Total all hours		
March			Hourly Limit	NA	
April			Actual FTE to be claimed	0.00	
May			You MUST enter your name and SSN on the Employee info tab!		
June					
Total Time Providing Sped Services	0%				
Number of months entered	0				
Sped percentage	0.0%				
Total all hours					
Hourly Limit	NA				
Actual FTE to be claimed	0.00				

Image 3 Using an electronic PAR will allow the district to quickly gather service delivery time for the entire fiscal year while reducing costly, time consuming efforts to gather PARs in cumbersome binders.

9. **A School Bus Safety audit report will be conducted by the auditor.** Along with your actual audit engagement letter, you will receive a blank copy of the School Bus Safety audit report template. Please read through the questions on the template and have documentation ready for the auditor’s arrival. If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite. Sample forms (supporting documentation) can be found on the School Bus Safety webpage at: <http://www.ksde.org/Default.aspx?tabid=356>.

Fiscal Auditing
785-296-4976
785-296-0232 (fax)
900 Jackson, Suite 363, Topeka, KS 66612

To: Keith Drelling, State Transportation Director, School Bus Safety
From: Laurel Murdie, Director, Fiscal Auditing
Subject: School Bus Safety Review for USD: 101
Auditor:
Date: September 15, 2016

During the enrollment audit of the above named district, a review School Bus Safety Compliance issues. This information was presented during the audit exit conference.

Questions A, B, C, and D apply only to Interlocals and Cooperative Agreements.

A. Do you provide student transportation? If no, check no and stop.

B. Do you provide student transportation with school buses?

C. Do you provide student transportation with school passenger vehicles?

D. Who is your transportation contact person?

Questions 1 through 7 apply to all LEAs.

1 District has conducted one emergency evacuation drill per semester riding a route bus

2 All drivers have appropriate driver licenses on file

To: Craig Neunswander, Director, School Finance
From: Laurel Murdie, Director, Fiscal Auditing
Subject: Special Expenditure Report for USD: 101
Audit Period: July 1, 2015 through June 30, 2016
Auditor(s):
Date: 9/15/2016

The law requires the State Department of Education to verify that school districts record and report expenditures in the correct functions and in the appropriate funds. Auditors were asked to check certain 2015-16 General and Supplemental General Fund expenditures to verify that they were reported correctly in the accounting records of the district. Auditors were also asked to review program weightings for appropriate reporting. Listed below are the auditor's findings with comments if applicable.

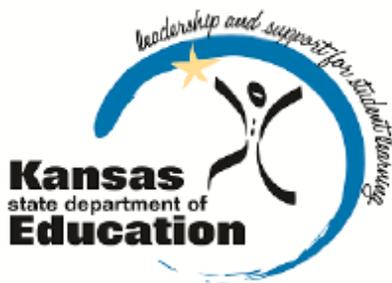
Yes	No*	If no, which fund was charged (explain below)

1 Clerk of the Board Salary is charged to 2300
2 Business Office personnel is charged to 2500
3 Principal's salary is charged to 2400

Image 4 The Special Expenditure Report, School Bus Safety Report, and the At-Risk, Bilingual, Vocational Expenditure Report are attached to your audit letter. Use these forms to confirm your compliance and have supporting documentation ready for

10. **A Special Expenditure Report will be generated by the auditor.** Along with your actual audit engagement letter, you will receive a blank copy of the Special Expenditure Report. Please read through this form and be prepared to supply the information requested, including an annotated copy of the fund accounting report and any supporting documentation to verify expenditures are in the appropriate funds.

11. **Deaf/Blind expenditures, if applicable.** Provide paid invoices and related supporting documentation. If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite.
12. **Parents As Teachers State Aid and the local 65% match expenditures.** Provide a copy of the fund accounting report and any supporting documentation to verify expenditures. Examples of fund accounting reports are shown in Image 2.
13. **Bond and Interest payments, including the principal and interest for general obligation bonds issued after July 1992 and July 2015.** Provide a copy of the fund accounting report, a copy of the bond schedule and any additional supporting documentation to verify expenditures. Examples of fund accounting reports are shown in Image 2.
14. **Prior year 1,116 hour logs for every attendance center.** For a sample electronic calculator, visit the fiscal auditing webpage at: <http://ksde.org/Default.aspx?tabid=319>.
15. **School Nutrition Program (formerly we called this National School Lunch Program) will be reviewed IF your district has expended less than \$750,000 of federal funds from all federal revenue sources.** If this includes an extensive amount data on paper, you may want to provide this to the auditor when they arrive onsite.
16. **Expenditures will be examined for the After School Enhancement Programs.** Provide a copy of the fund accounting report and any supporting documentation to verify expenditures. Examples of fund accounting reports are shown in Image 2.
17. **Juvenile Detention Center and Psychiatric Residential Treatment Facilities instructional expenditures.** Provide a copy of the fund accounting report and any supporting documentation to verify expenditures. Examples of fund accounting reports are shown in Image 2.
18. **If district has claimed CTE Transportation funds, provide the route, mileage and type of bus used for this purpose.** Provide a worksheet detailing how the mileage was computed.
19. **If district received CTE Incentive funds, provide documentation of high school graduation and industry certification.** Both documents must be provided to guarantee funding.



Fiscal Auditing

Kansas Department of Education
Landon State Office Building
900 SW Jackson Street, Suite 252
Topeka, Ks 66612

(785) 296-4976
(785) 296-0232 fax

www.ksde.org

9/14/2016

Tim Bear, Superintendent
USD 999 Erie-Galesberg
PO Box 138
Erie Ks 66733-0137

Please share this letter with your staff.

Dear Mr. Bear,

The annual KSDE audit of your district will be conducted during the week of: **October 24, 2016**

The auditor(s) assigned to your district will be: Jerry Wilson

Before our arrival, we encourage you to upload files to the Auditor File Exchange:

Here is the web address: <https://svapp15586.ksde.org/authentication/login.aspx>

If you have questions about how to upload files, please see the Auditor File Exchange User Guide on our website: <http://www.ksde.org/Agency/Fiscal-and-Administrative-Services/Fiscal-Auditing>
In addition, you can also call us with any questions you might have.

During the audit, our staff will be verifying the **current year's** enrollment data submitted to KIDS. Items to be audited include the following:

1. Enrollment and attendance records of all children counted by your district on September 20.

Our staff will verify headcount and student FTE. Therefore, please provide the following:

- a. Daily attendance records from the beginning of school through October 4.
- b. Admission/Withdrawal list through October 4.
- c. September 20 class schedules for high school and middle school students.
- d. Attendance records for non-public students enrolled and attending part-time in your district.
- e. IEPs and attendance records for Special Education pre-school students and Special Education kindergarten and private/parochial Special Education students will be reviewed.
- f. Eligibility documentation for 4 year old at-risk students, if applicable.
- g. Headcount and FTE of students attending alternative and/or virtual schools.

2. Attendance records for students in Juvenile Detention Centers and Psychiatric Residential Treatment Facilities in your district for the prior year April, current year September and November counts, if applicable.

3. Our staff will also verify new facilities weighting, if applicable. Please provide rosters, teacher schedules and the district's computation for each new classroom.

Additional audit details continue on the following page.

The Audit Engagement Letter (Attachment 1)

Our staff will verify the following expenditures and programs for the **prior year**:

(Please provide copies of ledgers and other documents to support the costs claimed and submitted to KSDE. *If convenient, before our arrival, please upload this information to the Auditor File Exchange.*)

4. Transportation Expenditures reported on Table XI of the Annual Statistical Report (18E).
5. Indirect Costs Expenditures reported on Table V of the Annual Statistical Report.
6. Driver Education and/or Motorcycle Education competency records.
7. Special Education Pupil Transportation Expenditures reported on Form 308.
8. State Categorical Aid for teachers, para-professionals and expenditures incurred and reported as costs for catastrophic special education individual student care, if these programs were not audited this past summer.
 - a. Payroll records for certified staff in support of actual **salary** earned.
 - b. Total contracted salary data for certified staff.
 - c. Payroll records for classified staff in support of actual **hours** worked.
 - d. Roster of long-term substitutes and new hires, with the name of special education staff replaced. Also include names of active staff who have shared a position during the school year.
 - e. Paid invoices and service logs for staff contracted through third party providers.
 - f. Records documenting staff development requirements (in-service) for paraprofessionals.
 - g. Payroll records for all personnel in support of actual hours worked during the Extended School Year (ESY).
 - h. Please have a roster of Bi-Annual Certification (BAC-Sole source funding) for staff whose duties are 100% special education. For staff with duties less than 100% special education, provide a PAR (time and effort log).
 - i. Present a roster of students, from December 1 and May 1, for each early childhood special education teacher claimed. Identify IEP and non-IEP students.
 - j. Please make available documentation for all students claimed for Non-Public Equivalency.

Please be sure to provide a copy of the contract, license or professional certification for staff providing services. In addition, provide copies of service logs and paid invoices.
9. Enclosed is a blank copy of the School Bus Safety audit report that will be conducted by the auditor. Please read through these questions and have documentation available for all 5 questions.
10. Also enclosed is a blank copy of the Special Expenditure Report that will be generated by the auditor. Please read through this form and be prepared to supply the information requested.
11. Deaf/Blind expenditures, if applicable.
12. Parents As Teachers State Aid and the local 65% match expenditures.
13. Bond and Interest payments, including the principal and interest for general obligation bonds issued after July 1992 and after July 2015.

Additional audit details continue on the following page.

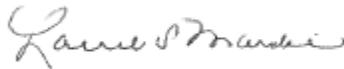
The Audit Engagement Letter (Attachment 1)

14. Prior year 1116 hour logs for every attendance center.
15. National School Lunch Program will be reviewed *if* your district has expended less than \$750,000 of federal funds from all federal revenue sources.
16. Expenditures will be examined for the After School Enhancement Programs.
17. Juvenile Detention Center and Psychiatric Residential Treatment Facilities instructional expenditures.
18. If the district claimed CTE Transportation funds, provide the route, mileage and type of bus used for this purpose.
19. If the district received CTE Incentive funds, provide documentation of high school graduation and industry certification.

If the date selected for the audit engagement conflicts with your schedule, please advise the Fiscal Auditing office. Your assigned auditor will be notified and will make arrangements to reschedule your audit.

Thank you for your cooperation in providing the documentation requested for the audit. If we can be of service to your district in any way, please let us know.

Sincerely,



Laurel Murdie
Director

Enclosures: School Bus Safety Report
 Special Expenditure Report